



The Hebrew University of Jerusalem

Syllabus

The Politics of Development and Economic Crises: Latin America and Beyond - 58473

Last update 25-09-2023

HU Credits: 2

Degree/Cycle: 2nd degree (Master)

Responsible Department: International Relations

Academic year: 0

Semester: 1st Semester

Teaching Languages: English

Campus: Mt. Scopus

Course/Module Coordinator: Dr. Jorge Gordin

Coordinator Email: jorge.gordin@mail.huji.ac.il

Coordinator Office Hours: Monday 17:00-18:00

Teaching Staff:

Dr. Jorge Gordin

Course/Module description:

This module is a graduate course on international aspects of the political economy of development in Latin America and its comparative policy lessons in the Global South. It uses an international political economy theoretical framework to analyze the diverse range of developmental pathways pursued by Latin American countries and the resulting economic and fiscal predicaments. Concretely, it zooms in on the historical and institutional underpinnings of financial and fiscal crises in the region and the extent to which such developments have been influential cross-regionally and thus discussing the international salience of institutional and policy innovations in Latin America.

The module begins with a thorough review of the developmentalist period and its crisis during the 1970s and 1980s and the politics of economic reform during the 1990s and 2000s. Second, it will then move to a more focused and sustained analysis of the determinants and effects of the financial and fiscal crises experienced in Latin America and comparative insights from the experiences of other developing countries. The third section will consider the policy responses to such crises and the potential of policy diffusion and learning of these Latin American experiences in other developing regions, with particular focus on Argentina and Brazil. Being high middle-income countries and the largest emerging markets in South America, these two countries convey comparative relevance to the experiences of other emerging economies in the developing world. We conclude examining Latin American unprecedented accomplishments in tackling the Great Recession originated in the 2008 Financial Crisis.

Course/Module aims:

- 1. Provide students with the theoretical and conceptual tools to understand Latin American political economy in comparative perspective.*
- 2. Cover the main ideas and debates in international political economy related to the salience and applicability of Latin American experiences to other Global South regions.*
- 3. Encourage students to critically think about challenging realities of Latin American development while at the same time emphasizing its relative progress.*

Learning outcomes - On successful completion of this module, students should be able to:

1. Describe, explain, and discuss theoretical and practical aspects of the political economy of development in Latin America in comparative perspective.
2. Define the causes and effects of models of development in Latin America, embedding this debate in theoretical and conceptual discussions in International Political Economy.
3. Analyze how said models unfolded in structural economic and fiscal crises and the causal effect of the latter on institutional reforms and policy innovations in Latin America.
4. Illustrate how the emerging institutional blueprints and policy innovations have become relevant and germane to the challenges of other developing regions.

Attendance requirements(%):
100

Teaching arrangement and method of instruction: Frontal Lecture

Course/Module Content:

Section 1: FROM DEVELOPMENTALISM AND ITS CRISIS TO THE NEOLIBERAL ERA: A PRIMER ON ISSUES IN LATIN AMERICAN DEVELOPMENT

Lecture 1. Liberalism and Statism

Lecture 2. The Crisis of Statism and the Rise of Neoliberalism

Lecture 3. The Politics of Neoliberal Reforms and International Responses I: Adoption

Lecture 4. The Politics of Neoliberal Reforms and International Responses II: Political Sustainability

Section 2: THE POLITICS OF ECONOMIC SQUEEZE: INTERNATIONAL, NATIONAL AND SUBNATIONAL DETERMINANTS OF FINANCIAL AND FISCAL CRISES

Lecture 5. Domestic, International and Subnational Approaches

Lecture 6. Effects of Financial and Fiscal Crises

Lecture 7. Sovereign Debt

Section 3: COPING WITH THE EFFECTS OF FINANCIAL AND FISCAL CRISES: LATIN AMERICAN RESPONSES AND COMPARATIVE POLICY IMPLICATIONS

Lecture 8. Social Policy and Safety Nets

Lecture 9. Migrants Remittances

Lecture 10. Microfinance

Section 4: REGIONAL DEVELOPMENTS AND GLOBALIZATION AT THE CROSSROADS

Lecture 11. Trade Policy

Lecture 12. The Commodity Boom and the "Resource Curse"

Lecture 13. The Paradox of Latin American Newfound Resilience during the Great Recession and the Financial Crisis 2008-2009

Required Reading:

Klaren, P. and Bossert, T., eds. (1986). Promise of Development: Theories of Change in Latin America, Boulder, CO: Westview Press, pp. 3-35, 76-99.

Baer, W. (1972), "Import Substitution Industrialization in Latin America: Experiences and Interpretation," Latin American Research Review, 7 (2).

Kay, C. (2002), "Why East Asia Overtook Latin America: Agrarian Reform, Industrialization and Development," Third World Quarterly, 23 (6)

Dornbusch, R. and Edwards, S (1990), "Macroeconomic Populism," Journal of Development Economics, 32.

Kurtz, M. and Brooks, S. (2008), "Embedding Neoliberal Reforms in Latin America," World Politics, 60 (2).

Margueritis, A. and Pereira, A. (2007), "The Neoliberal Turn in Latin America: The Cycle of Ideas and the Search for an Alternative," Latin American Perspectives, 34 (3).

Robison, R, Rodan G. and K. Hewison (2005), *Transplanting the Neoliberal State in Southeast Asia*, in *Asian States: Beyond the Developmental Perspective*, R. Boyd, ed., New York: Routledge Curzon.

Weyland, K. (2004). *The Politics of Market Reform in Fragile Democracies: Argentina, Brazil, Peru, and Venezuela*. Princeton: Princeton University Press, Chapters 1 and 3.

Armijo, L. and Faucher, P. (2002) "We have a Consensus': Explaining Political Support for Market Reforms in Latin America," *Latin American Politics and Society* 44 (2).

Ocampo, J. (2009), "Latin America and the Global Financial Crisis," *Cambridge Journal of Economics*, 33 (4).

Pop Eleches, G. (2013) "Between Economic Necessity and Ideology: IMF Programs Before and During the Global Financial Crisis," LSE working paper, 2

Krapohl, S. (2015), "Financial Crises as Catalysts for Regional Cooperation? Chances and Obstacles for Financial Integration in ASEAN+3, MERCOSUR and the Eurozone," *Contemporary Politics*, 21(2).

Damil, M., Frenkel, R and Rapetti, M (2013) *Financial and Currency Crises in Latin America*, in *The Political Economy of Financial Crises*, M. Wolfson and G. Epstein, eds., New York: Oxford University Press.

Scartascini, C. and Hallerberg, M. (2015) "Two Decades of Financial Reforms, in *The State of State Reform in Latin America*," *Economia*, September

Gordin, J. (2017) "The Price of Institutional Design: Biased Territorial Representation and Argentina's Great Depression, 1998-2002," *Journal of Policy History*, 29 (1).

Gonzalez, L. (2008) "Political Power, Fiscal Crises, and Decentralization in Latin America: Federal Countries in Comparative Perspective (and some Contrasts with Unitary Cases)," *Publius*, 38 (2).

Frankel, J. and Rose, A. (1996) "Currency crashes in emerging markets: An empirical treatment," *Journal of International Economics* 41.

Balassa, B. (1985), "Exports, Policy Choices, and Economic Growth in Developing Countries after the 1973 Oil Shock," *Journal of Development Economics*, 18 (1).

Chuhan, P., Claessens, S. and N. Mamingi (1998), "Equity and Bond Flows to Latin America and Asia: The Role of Global and Country Factors," *Journal of Development Economics* 55.

Gelos, R., Sahay, R. and G. Sandleris (2011), "Sovereign Borrowing by Developing Countries: What Determines Market Access?" *Journal of International Economics*, 83

(2).

Saiegh, S. (2013), "Political Institutions and Sovereign Borrowing: Evidence from Nineteenth-century Argentina," *Public Choice*, 156 (1-2).

Suter, Ch. and Stamm, H. (1992) "Coping with Global Debt Crises: Debt Settlements, 1820 to 1986," *Comparative Studies in Society and History*, 34 (4).

Haggard, S. and Kaufman, R. (2004) "Revising Social Contracts: Social Spending in Latin America, East Asia, and the Former Socialist Countries, 1980-2000," *Revista de Ciencia Politica*, 24 (1).

Rudra, N. (2002), "Globalization and the Decline of Welfare State in Less Developed Countries," *International Organization*, 56 (2).

Renno, L. (2017) *An Institutional Architecture for Social Inclusion: The Creation of the Bolsa Familia Programme and the Social Development Ministry in Brazil*. In *Institutional Innovation and the Steering of Conflicts in Latin America*, J. Gordin and L. Renno, eds., Colchester, UK: ECPR Press.

Orozco, M. (2009), "Migration and Remittances in Times of Recession: Effects on Latin American Economies," *Inter-American Dialogue*, working paper.

Singer, D. (2010), "Migrant Remittances and Exchange Rate Regimes in the Developing World," *American Political Science Review*, 104 (2).

Itzigsohn, J. (1995) "Migrant Remittances, Labor Markets and Household Strategies: A Comparative Analysis of Low-Income Household Strategies in the Caribbean Basin," *Social Forces*, 74 (2).

Yunus, M. (1999), "The Grameen Bank", *Scientific American*, November.

Schonerwald, C. and Vernengo, M. (2016), "Microfinance, Financial Inclusion and the Rhetoric of Reaction: The Evolution and Limitations of Microfinance in Brazil," *Latin American Policy*, 7 (2).

Schicks, J. (2007), "Developmental Impact and Coexistence of Sustainable and Charitable Microfinance Institutions: Analysing BancoSol and Grameen Bank," *European Journal of Development Research* 19 (4).

Carranza, M. (2003), "Can Mercosur Survive? Domestic and International Constraints on Mercosur." *Latin American Politics and Society* 45 (2).

Eichengreen, B. (2004), "Why Macroeconomic Measures Are Needed for Free Trade to Flourish in the Western Hemisphere?" *Latin American Politics and Society* 46 (2).

Feinberg, R (2002), "Regionalism and Domestic Politics: U.S.-Latin American Trade Policy in the Bush Era," *Latin American Politics and Society* 44 (4).

George, S (2013) *Surviving a Debt Crisis: Five Lessons for Europe from Latin America*. Bertelsmann Foundation, working paper.

Campello, D. (2016) *Exploring Latin America's Responses to the Great Recession*, Getulio Vargas Foundation, draft

Porzecanski, A. (2009) *Latin America: The Missing Financial Crisis*. American University, draft.

Additional Reading Material:

Grading Scheme:

Essay / Project / Final Assignment / Home Exam / Referat 70 %
Presentation / Poster Presentation / Lecture/ Seminar / Pro-seminar / Research proposal 20 %
Attendance / Participation in Field Excursion 10 %

Additional information: